

**ALASKA STATE LEGISLATURE  
HOUSE STATE AFFAIRS STANDING COMMITTEE**

February 8, 2018

3:05 p.m.

**MEMBERS PRESENT**

Representative Jonathan Kreiss-Tomkins, Chair  
Representative Gabrielle LeDoux, Vice Chair  
Representative Chris Tuck  
Representative Adam Wool  
Representative Chris Birch  
Representative DeLena Johnson  
Representative Gary Knopp

**MEMBERS ABSENT**

Representative Andy Josephson (alternate)  
Representative Chuck Kopp (alternate)

**COMMITTEE CALENDAR**

HOUSE CONCURRENT RESOLUTION NO. 2

Urging Governor Bill Walker to join with the Alaska State Legislature to respond to the public and behavioral health epidemic of adverse childhood experiences by establishing a statewide policy and providing programs to address this epidemic.

- MOVED CSHCR 2(STA) OUT OF COMMITTEE

HOUSE BILL NO. 168

"An Act relating to regulation notice and review by the legislature; and relating to the Administrative Regulation Review Committee."

- MOVED HB 168 OUT OF COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 10

Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to the jurisdiction of standing committees.

- MOVED HCR 10 OUT OF COMMITTEE

HOUSE BILL NO. 224

"An Act relating to reemployment of persons who retire under the teachers' retirement system."

- HEARD & HELD

HOUSE JOINT RESOLUTION NO. 31

Urging the United States Congress to overturn the Federal Communications Commission's order ending net neutrality.

- MOVED HJR 31 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HCR 2

SHORT TITLE: RESPOND TO ADVERSE CHILDHOOD EXPERIENCES

SPONSOR(s): REPRESENTATIVE(s) TARR

01/23/17	(H)	READ THE FIRST TIME - REFERRALS
01/23/17	(H)	HSS, STA
03/14/17	(H)	HSS AT 3:00 PM CAPITOL 106
03/14/17	(H)	<Bill Hearing Canceled>
03/21/17	(H)	HSS AT 3:00 PM CAPITOL 106
03/21/17	(H)	Heard & Held
03/21/17	(H)	MINUTE(HSS)
03/23/17	(H)	HSS AT 3:00 PM CAPITOL 106
03/23/17	(H)	Moved HCR 2 Out of Committee
03/23/17	(H)	MINUTE(HSS)
03/24/17	(H)	HSS RPT 6DP 1NR
03/24/17	(H)	DP: JOHNSTON, TARR, EDGMON, SULLIVAN- LEONARD, KITO, SPOHNHOLZ
03/24/17	(H)	NR: EASTMAN
05/16/17	(H)	STA AT 3:00 PM GRUENBERG 120
05/16/17	(H)	-- MEETING CANCELED --
02/06/18	(H)	STA AT 3:00 PM GRUENBERG 120
02/06/18	(H)	Heard & Held
02/06/18	(H)	MINUTE(STA)
02/08/18	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HB 168

SHORT TITLE: REPEAL ADMIN. REG. REVIEW COMMITTEE

SPONSOR(s): REPRESENTATIVE(s) CHENAULT

03/10/17	(H)	READ THE FIRST TIME - REFERRALS
03/10/17	(H)	STA, FIN
02/06/18	(H)	STA AT 3:00 PM GRUENBERG 120
02/06/18	(H)	Heard & Held
02/06/18	(H)	MINUTE(STA)
02/08/18	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HCR 10

SHORT TITLE: UNIFORM RULES: REGULATION REVIEW

SPONSOR(s): REPRESENTATIVE(s) CHENAULT

03/10/17	(H)	READ THE FIRST TIME - REFERRALS
03/10/17	(H)	STA, FIN
02/06/18	(H)	STA AT 3:00 PM GRUENBERG 120
02/06/18	(H)	Heard & Held
02/06/18	(H)	MINUTE(STA)
02/08/18	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HB 224

SHORT TITLE: REEMPLOYMENT OF RETIRED TEACHERS & ADMIN

SPONSOR(s): REPRESENTATIVE(s) JOHNSTON

04/10/17	(H)	READ THE FIRST TIME - REFERRALS
04/10/17	(H)	STA, FIN
04/18/17	(H)	STA AT 3:00 PM GRUENBERG 120
04/18/17	(H)	Heard & Held
04/18/17	(H)	MINUTE(STA)
04/25/17	(H)	STA AT 3:00 PM GRUENBERG 120
04/25/17	(H)	Heard & Held
04/25/17	(H)	MINUTE(STA)
02/08/18	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HJR 31

SHORT TITLE: CONGRESS REVERSE FCC ON NET NEUTRALITY

SPONSOR(s): REPRESENTATIVE(s) KAWASAKI

01/26/18	(H)	READ THE FIRST TIME - REFERRALS
01/26/18	(H)	STA
02/06/18	(H)	STA AT 3:00 PM GRUENBERG 120
02/06/18	(H)	Heard & Held
02/06/18	(H)	MINUTE(STA)
02/08/18	(H)	STA AT 3:00 PM GRUENBERG 120

#### **WITNESS REGISTER**

SAMANTHA SAVAGE

Fairbanks Wellness Coalition (FWC)

Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HCR 2.

ELSIE BOUDREAU

Alaska Resilience Initiative (ARI);

President, Arctic Winds Healing Winds (AWHW)

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HCR 2.

JOSH ARVISTON, Director  
Alaska Child Trauma Center (ACTC)  
Anchorage Community Mental Health Services, Inc. (ACMHS)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HCR 2.

LAURA NORTON-CRUZ, Director  
Alaska Resilience Initiative (ARI)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HCR 2.

CHARLES MCKEE  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HCR 2.

ARICA PAQUETTE, Prevention Manager  
Women in Safe Homes (WISH)  
Ketchikan, Alaska

**POSITION STATEMENT:** Testified in support of HCR 2.

CARMEN LOWRY, Executive Director  
Alaska Network on Domestic Violence and Sexual Assault (ANDVSA)  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HCR 2.

REPRESENTATIVE JENNIFER JOHNSTON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 224, as prime sponsor.

LIZ REXFORD, Staff  
Representative Jennifer Johnston  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 224 on behalf of Representative Johnston, prime sponsor.

LISA PARADY, Executive Director  
Alaska Council of School Administrators (ACSA)  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 224.

KATHY LEA, Chief Pension Officer  
Division of Retirement and Benefits (DRB)  
Department of Administration (DOA)

Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 224.

ANNMARIE O'BRIEN, PhD, Superintendent  
Northwest Arctic Borough School District (NWABSD)  
Kotzebue, Alaska

**POSITION STATEMENT:** Testified in support of HB 224.

LEON JAIMES  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HJR 31.

TARA RICH, Legal and Policy Director  
American Civil Liberties Union (ACLU) of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HJR 31.

#### **ACTION NARRATIVE**

[3:05:27 PM](#)

**CHAIR JONATHAN KREISS-TOMKINS** called the House State Affairs Standing Committee meeting to order at 3:05 p.m. Representatives Birch, Johnson, Knopp, and Kreiss-Tomkins were present at the call to order. Representatives LeDoux, Tuck, and Wool arrived as the meeting was in progress.

#### **HCR 2-RESPOND TO ADVERSE CHILDHOOD EXPERIENCES**

[3:06:19 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be HOUSE CONCURRENT RESOLUTION NO. 2, Urging Governor Bill Walker to join with the Alaska State Legislature to respond to the public and behavioral health epidemic of adverse childhood experiences by establishing a statewide policy and providing programs to address this epidemic. [Before the committee, adopted as a work draft on 2/6/18, was the committee substitute (CS) for HCR 2, Version 30-LS0277\J, Glover, 1/17/18.]

[3:06:54 PM](#)

CHAIR KREISS-TOMKINS opened public testimony on HCR 2.

[3:07:08 PM](#)

SAMANTHA SAVAGE, Fairbanks Wellness Coalition (FWC), testified that the mission of FWC is to foster wellness through primary prevention advocacy. Its two current projects are focused on suicide prevention and heroine and prescription opioid misuse among teens and young adults. She offered that FWC recognizes the importance of working together as a community and as a state to prevent childhood trauma because of its enormous impact on the issues that the coalition seeks to prevent. She said that according to Linda Chamberlain, PhD, Director of the Alaska Family Violence Prevention Project (AFVPP), studies have shown that nearly two-thirds of suicide attempts of adults can be attributed to adverse childhood experiences (ACEs), and nearly 80 percent of suicide attempts during childhood and adolescence are attributed to ACEs. She stated that research gathered by the Alaska Children's Trust (ACT) reported that a person with four or more ACEs is 12 times more likely to attempt suicide and 10 times more likely to use injection drugs. She relayed that FWC supports the state's efforts to recognize childhood trauma as an important factor in building wellness in the community.

[3:08:35 PM](#)

ELSIE BOUDREAU, Alaska Resilience Initiative (ARI); President, Arctic Winds Healing Winds (AWHW), testified that AWHW is a non-profit organization dedicated to bringing healing and wellness to villages throughout Alaska. She mentioned that she is an Alaska Native who grew up in the village of St. Mary's. She expressed her belief that establishing statewide policy is important considering so many Alaska Native children are in foster care; for many, this is due to ACEs and historical trauma. She emphasized the importance of funding to research statewide solutions. She maintained that it is imperative at this point in Alaska Native history that Alaska residents come together and create effective and meaningful solutions to make a difference in the lives of Alaska Native children so that ACEs are no longer prevalent. She asserted that ACEs are devastating and create havoc for all Alaskans. She urged the governor and the committee to support HCR 2.

[3:10:43 PM](#)

REPRESENTATIVE BIRCH asked about the cultural differences as they apply to foster children and posed two scenarios: the first is a foster child graduating from high school after living in a dozen different foster homes; the second is a child in rural Alaska moving upriver or downriver with one family until

adulthood. He opined that the prevailing opinion is that a child is always better off with his/her natural birth family, as opposed to with a foster care family. He asked Ms. Boudreau for her thoughts on how the state could do a better job in that regard.

MS. BOUDREAU responded that as a social worker, she worked for the Division of Family and Youth Services [now the Office of Children's Services (OCS)]. She reported that most of the foster care children she saw wanted to return to their families. She maintained that children who grow up closer to their cultural connections do better in the long run, because they are no longer seeking "who am I in this world?"; they have a connection to their cultures, their identities, and their origins, which is important for all children. She opined that the state should be more culturally "humble" when imposing foster care requirements on rural communities. It should create safety beyond the presentation of the home and look at other factors influencing a child's well-being, such as cultural and spiritual factors.

[3:13:38 PM](#)

REPRESENTATIVE BIRCH responded that he agreed and referred to "cultural continuation". He said that a child may be raised by an extended family member in a nearby community; he/she stays there; and there is no "big push" to remove that child to go back into "what might not be a good environment."

[3:14:20 PM](#)

JOSH ARVISTON, Director, Alaska Child Trauma Center (ACTC), Anchorage Community Mental Health Services, Inc. (ACMHS), testified that the [original] ACE study data is now 20 years old and has been supported by follow-up research highlighting the links between ACEs and long-term health, mental health, substance abuse, education, and occupational outcomes. He expressed his belief that it is critical for Alaska to have a systematic approach to addressing this issue; such an approach would have financial health benefits for the State of Alaska and for the state's residents. He stated that in the subsequent 20 years since the original research, the emerging science of traumatic stress, how traumatic stress impacts behavior and physiology, and brain imaging studies have directed us to effective interventions and approaches that can help achieve better outcomes for Alaskans.

[3:16:05 PM](#)

LAURA NORTON-CRUZ, Director, Alaska Resilience Initiative (ARI), testified that she supports HCR 2 because as the director of ARI, a former teacher, a mother, and a community member, she shares the value that all of Alaska's children deserve to be safe, to be cared for, and to have the opportunity to grow into healthy contributing adults. She stated that as the director of a statewide network of people who are actively addressing ACEs, it is her job to learn about and connect people to the efforts already occurring across Alaska. She relayed that there are hundreds of groups using ACEs to guide their work in trauma and have been doing so for decades. Alaska is at the forefront of this movement and considered a national leader: it was chosen as one of 14 pilot sites (indisc.); Alaskan tribes are doing powerful work, including the Aleut community, St. Paul, that was featured in today's issue of The Guardian; there is a coalition in the Matanuska-Susitna ("Mat-Su") Valley that is leading creative and innovative OSC (indisc.) improvements; the Ketchikan Shipyard of the international company Vigor [Industrial] is the safest shipyard in the entire company and is the model for the Seattle Shipyard because of its implementation of (indisc.) practices; and Alaska's Division of Juvenile Justice (DJJ) is one of the first in the country to undergo transformation to a "trauma-informed" agency.

MS. NORTON-CRUZ maintained that Alaskans are creative and innovative. She said, "We've really taken this on and we're running with it, and yet we have so far to go." She referred to the many grim statistics about Alaska's child welfare system, medical spending, and the opioid crisis. She relayed that to make this effort work across all sectors as effectively as possible, Alaska needs shared commitment and shared language from the Alaska legislature and the governor to help set the tone and set priorities.

MS. NORTON-CRUZ reported that the way Wisconsin has prioritized ACEs and trauma-informed work at the state government level, led by Wisconsin First Lady Tonette Walker, has allowed for trauma and resilience work in Wisconsin to flourish across the state, resulting in significant improvements in academic, health, and social outcomes, as well as radical cost savings for state and local government.

MS. NORTON-CRUZ maintained that the proposed resolution would set the tone for new policy-makers and new commissioners and make a statement that legislators care about this. The use of ACEs is necessary to save the state money and to have a healthy



workforce; and it can result in improvements in the major troublesome issues, such as the opioid epidemic and the child welfare system. She concluded by saying, "You setting this tone, you providing this leadership, can result in moving towards an Alaska where values are manifested."

3:19:34 PM

REPRESENTATIVE BIRCH referred to ACEs, toxic stress, and childhood trauma, and he mentioned that as a child, he was spanked and experienced some significant events that were traumatic. He asked for a brief explanation for how one's ACE is measured.

MS. NORTON-CRUZ suggested that one way of thinking about it is envisioning a teeter-totter: on one end is chronic and persistent stress weighing a person down and having an effect on his/her brain and body; on the other end are protective factors, such as supportive adult relationships, meaningful work, community engagement, and (indisc.) identity, that provide balance, can be protective against adversity, or help build resilience. She explained that where the fulcrum is positioned can affect which side is weighted heavier; it may represent a person's genetics or events that occurred during pregnancy.

MS. NORTON-CRUZ maintained that there are many factors that determine outcomes after a person experiences adversity. She said that the ACE study was a crude measure; it asked, "Did these things happen to you?" and counted the number of those things that happened. She maintained that what researchers found was incredibly powerful epidemiology. They measured five forms of household disfunction and five forms of child maltreatment, abuse, and neglect; they found that the more adversities a person had, the greater the risk of a myriad of health and social problems. She reminded the committee that because of the protective and environmental factors, a high ACE score is not absolutely predictive. She stated that using the ACE lens leads to opportunities for promoting protective factors and preventing or reducing initial traumas.

3:22:29 PM

REPRESENTATIVE BIRCH asked whether any of the ACEs rise to the level of being illegal, reportable, and punishable, such as physical child abuse, or if they are lower level experiences, such as alcoholic problems in the home. He inquired as to the range of traumatic issues.

MS. NORTON-CRUZ responded that the original ACE study, conducted by [health maintenance organization (HMO)] Kaiser Permanente in California and replicated in Alaska, asks about five criminal behaviors and five forms of household disfunction. The criminal behaviors are: physical and emotional neglect; and physical, sexual, and verbal abuse. The five forms of household disfunction consist of: a household member who is incarcerated, a household member who has mental illness or substance abuse, domestic violence in the household, and parents who have separated or divorced. She maintained that not all ACEs are criminal and not all are necessarily a trauma, such as a divorce; however, given the circumstances surrounding such an event, it could create an environment of chronic stress for the child. She added that there are many other forms of stress that can affect a child's developing brain and body that are not counted in the study, but have been identified by other research, such as chronic bullying, chronic discrimination, or hunger.

[3:24:21 PM](#)

CHARLES MCKEE testified that he had a traumatic experience in Fairbanks, Alaska, when he was 14 years of age during the Fairbanks flood [of 1967]; he was hospitalized at Bassett Army Community Hospital, which saved his life. He relayed that later his father hired a secretary to manage his business; the secretary was married to an U.S. Internal Revenue Service (IRS) agent; and she and the IRS agent set Mr. McKee's father up for a major financial calamity. Mr. McKee's father was not aware of what was happening until his checks started "bouncing". Mr. McKee maintained that the IRS seized his father's account to get him to sell the Alaska distributorship for Kirby Company of Alaska. He summarized by saying that this situation is still ongoing; "this structural organization is run by the Bar Association and it's corrupt."

[3:26:58 PM](#)

ARICA PAQUETTE, Prevention Manager, Women in Safe Homes (WISH), testified that she is a coordinator for the Revilla Island Resilience Initiative (RIRI), which is working to prevent trauma and promote resilience through collective action. She relayed that the goal of her department at WISH is to prevent violence through primary prevention strategies before it starts. Research has shown that childhood trauma, including witnessing domestic violence in the home, is a risk factor for violence

being experienced across the lifespan. She said that WISH's programs typically target youth - elementary through high school - but it often engages in primary prevention too late, because children are being impacted by ACEs prior to entering the school system.

MS. PAQUETTE maintained that cross sector collaboration is instrumental in the implementation of effective strategies in the communities; it creates a measurable reduction in both the perpetration of violence and victimization. She offered that through the lens of trauma-informed care, WISH can build connections between sectors to engage in projects or implement programs that impact multiple social problems and not just intimate partner and sexual violence. Currently WISH is working with the school district to support integrating a trauma-informed approach in all the schools by helping teachers to identify support and promote healing among the victims of childhood trauma. Trauma is passed through generations, so that supporting both parents and children is critical for ending the (indisc.). She maintained that the state can further support these efforts by officially supporting local and statewide initiatives encouraging cross sector collaboration to prevent all forms of childhood trauma and to build resilience in families and communities.

3:29:09 PM

CARMEN LOWRY, Executive Director, Alaska Network on Domestic Violence and Sexual Assault (ANDVSA), testified that ANDVSA is constituted through 24 domestic violence and sexual assault (DVSA) agencies across the state. It has been an active partner with the Alaska State Legislature since 1980. She stated that ANDVSA fully supports the proposed resolution and appreciates the call to establish statewide policies that address the devastating impacts of ACEs. She relayed that in fiscal year 2017 (FY 17), ANDVSA programs responded to about 7,700 women who reached out for services; (indisc.) and approximately 1,800 children. She maintained that the multiple ACE studies conducted since 2000 are clear: 1) there are substantiated links between a child witnessing violence against his/her mother and developing risk factors that have negative impacts for that child's well-being as an adult; and 2) there are substantiated correlations between (indisc.) domestic violence and the likelihood of that child being physically abused. She asserted that the bottom line is that a child's exposure to domestic violence has a profound impact on that child, and that impact reverberates into their adult lives; the impacts and

reverberations have social and physical implications for the state.

MS. LOWRY stated that ANDVSA and the state can work together to do the following: 1) continue to support and provide lifesaving shelter and emergency services to victims and their children; 2) expand and learn from community-based prevention activities; and 3) assess the state policies currently in place with an eye to what needs to be revised or created to adequately address those larger social factors that contribute to Alaska's current condition, which is that 40 percent of Alaska's adult female population, their children, their partners, and their communities experience domestic violence. She offered full support for HCR 2.

[3:31:58 PM](#)

CHAIR KREISS-TOMKINS closed public testimony on HCR 2.

[3:32:17 PM](#)

REPRESENTATIVE TUCK commented that he was unfamiliar with ACE until his discussions with Representative Tarr and California physician [Dr. Vincent Felitti], during which he was able to learn what ACE is, how people are affected by ACE, and some simple treatments to help people overcome the effects of ACE. He maintained that he was amazed at the value of asking the ACE questions during a physical exam for significantly improving a person's health and reducing costs. He mentioned that he saw a Technology, Entertainment, Design (TED) talk on YouTube in which a physician emphasized the importance of a full physical exam, getting a complete history, and discovering ACEs to improve the overall health of patients. He maintained that awareness of ACE alone will have a significant impact on communities and families.

[3:34:36 PM](#)

REPRESENTATIVE WOOL commented that the issue is two-fold: preventing the experiences that cause high ACE scores; and treating people who have experienced ACEs. He agreed that asking the ACE questions gives people the opportunity to explain what happened to them and to understand the reasons behind the difficulties they are having; and as a by-product, it saves on state expenditures.

[3:35:32 PM](#)

REPRESENTATIVE WOOL moved to report the CS for HCR 2, Version 30-LS0277\J, Glover, 1/17/18, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHCR 2(STA) was reported from the House State Affairs Standing Committee.

**HB 168-REPEAL ADMIN. REG. REVIEW COMMITTEE**

[Contains discussion of HCR 10.]

[3:35:54 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 168, "An Act relating to regulation notice and review by the legislature; and relating to the Administrative Regulation Review Committee."

CHAIR KREISS-TOMKINS opened public testimony on HB 168. After ascertaining that there was no one who wished to testify, he closed public testimony.

[3:36:46 PM](#)

REPRESENTATIVE WOOL commented that he served on the Administrative Regulation Review Committee (ARRC), and it never met.

[3:37:16 PM](#)

REPRESENTATIVE TUCK commented that he also served on ARRC and related that there were two times in which it had a positive impact. The first was when the Department of Commerce, Community & Economic Development (DCCED) was adopting regulations changing Alaska's marine pilots' role and the required length for ships coming to Alaska; there was a hearing; and the regulations were reversed. The second was regarding real estate agent fees; the administration presented its position; there was a hearing; and the regulation was reversed. He maintained that there is a role for ARRC but possibly not on a regular basis. He stated that recently regulations drafted by the Alaska Alcohol Beverage Control (ABC) Board required a costly bill to be introduced. He explained by saying that anything that is not restricted by statute is implied to be allowed. He said that the ABC Board created restrictions contrary to legislative intent regardless of letters sent to the ABC Board from the legislature. He maintained that one of the

purposes of ARRC is to ensure that the administration is writing regulations according to legislative intent; ARRC is the legislature's way of making the administration accountable. He stated that he is hesitant to eliminate it in statute. He mentioned that one of the nice things about ARRC is that it is a joint committee of both the House and the Senate. He said that he supports HCR 10.

[3:39:40 PM](#)

REPRESENTATIVE KNOPP agreed that there is a place for ARRC. He added that since it has not been effective, he supports the proposed legislation and HCR 10. He relayed that he hopes that it would be reconsidered in the future and the legislature would implement something that works.

[3:40:35 PM](#)

CHAIR KREISS-TOMKINS noted that the oversight function would be carried out in part by standing committees but added that he appreciated Representative Tuck's point regarding the ARRC being a joint committee of both houses.

[3:40:58 PM](#)

REPRESENTATIVE LEDOUX moved to report HB 168 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 168 was reported from the House State Affairs Standing Committee.

#### **HCR 10-UNIFORM RULES: REGULATION REVIEW**

[3:41:24 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE CONCURRENT RESOLUTION NO. 10, Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to the jurisdiction of standing committees.

CHAIR KREISS-TOMKINS opened public testimony on HCR 10. After ascertaining that there was no one who wished to testify, he closed public testimony.

[3:41:59 PM](#)

REPRESENTATIVE LEDOUX moved to report HCR 10 out of committee with individual recommendations and the accompanying fiscal

notes. There being no objection, HCR 10 was reported from the House State Affairs Standing Committee.

**HB 224-REEMPLOYMENT OF RETIRED TEACHERS & ADMIN**

[3:42:21 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 224, "An Act relating to reemployment of persons who retire under the teachers' retirement system."

[3:43:03 PM](#)

REPRESENTATIVE JENNIFER JOHNSTON, Alaska State Legislature, relayed that HB 224 is an act relating to reemployment of persons retired under the Teachers' Retirement System (TRS).

[3:43:23 PM](#)

LIZ REXFORD, Staff, Representative Jennifer Johnston, Alaska State Legislature, on behalf of Representative Johnston, prime sponsor of HB 224, relayed that the proposed legislation would reinstate the retire rehire provision adopted in 2005 under House Bill 161 [during the Twenty-Fourth Alaska State Legislature, 2005-2006], which had a sunset date of 2009. She stated that Alaska is experiencing a severe shortage of teachers, specialists, and administrators in its school districts throughout every region of Alaska. Attracting and retaining quality teachers has become a critical issue facing school districts as they work to improve education in Alaska's public schools.

MS. REXFORD relayed that the proposed legislation would give school districts the flexibility to rehire a retired teacher; it would expand the pool of qualified teachers to temporarily fill a position until a permanent teacher can be hired. She said that currently school districts are struggling to fill vacant positions with qualified teachers, sometimes relying on long-term substitutes and other replacements. The proposed legislation would provide another tool for school districts to address this problem in the short-term, while long-term solutions continue to be considered.

[3:44:50 PM](#)

REPRESENTATIVE JOHNSON commented that the proposed legislation is practical and sorely needed.



3:45:21 PM

LISA PARADY, Executive Director, Alaska Council of School Administrators (ACSA), testified that she represents Alaska superintendents, elementary school principals, secondary school principals, school business officials, and other school administrators. She mentioned that her testimony has the full support of Norm Wooten [Executive Director, Association of Alaska School Boards (AASB)] and noted that AASB has offered two resolutions from its membership in support of the proposed legislation. She stated that ACSA strongly supports HB 224 as one tool that could help school districts at a time in which they need immediate assistance to attract leadership talent to the education profession. She maintained that ACSA recognizes that this is not "a silver bullet" but could provide some relief.

MS. PARADY relayed that HB 224 would allow for the reemployment of retired educators to help districts fill vacancies; it is a necessary tool to help meet school district personnel needs both in urban and rural districts. She thanked Kathy Lea, Chief Pension Officer for the Division of Retirement and Benefits (DRB), Department of Administration (DOA), with whom the sponsor's staff has worked to ensure that what is proposed complies with the U.S. Internal Revenue Service (IRS) Treasury Regulations that are supported by the Department of Administration (DOA). She mentioned that ACSA has also worked with the National Education Association (NEA)-Alaska, which supports the proposed legislation but has suggested two minor changes: that the districts show that they have tried, but were unable, to hire a qualified teacher; and that the contract be for one year at a time. She said that both changes can be easily incorporated into the proposed legislation.

MS. PARADY suggested that it is a rare opportunity when all the education partners collaborate and ask for legislative assistance. She maintained that the issue is a basic "supply and demand" issue, and the legislation is vital because the shortage is critical. She said that ACSA members make the hiring decisions in each district and deal directly with the increasing difficulty of doing so currently. She referred to the letters from districts, included in the committee packet. She pointed out the "2018 Joint Position Statements" from the organizations she represents, included in the committee packet, and emphasized that members are very focused on preparing, attracting, and retaining qualified educators and specifically



looking at areas of innovation and alternative pathways to attracting teaching and leadership talent. She stated that every one of ACSA's members voted to explore the retire rehire provision.

3:49:12 PM

MS. PARADY relayed that Alaska reflects the national shortage of teachers and educators but has even greater struggles due to its remoteness coupled with its loss of competitiveness. She continued by saying that against the backdrop of the national educator shortage, Alaska's retirement system and wages for an Alaska cost of living (COL) does not draw teachers from the Lower 48 as it once did. She said that Alaska recruits most of its teachers from the Lower 48; therefore, Alaska's problem is worse. She mentioned that in the past, the Alaska Teacher Placement (ATP) Job Fair held every year in Anchorage would attract hundreds of educators from across the country; at last year's ATP Job Fair, there were more hiring personnel than applicants. There were 211 registrants with 172 of them from Alaska and 39 from out of state. She reported that there were 36 districts represented at the job fair.

MS. PARADY offered the following statistics: In the 2016-2017 school year, 24 percent of districts had a new superintendent; from 2013-2017, 72 percent of districts experienced at least one change of superintendent during the five years. There are about 400 school principals in the state; in the 2016-2017 school year, 26 percent of principals were new to their schools. In the 2016-2017 school year, there were 8,010 teachers; 22 percent were new to their schools.

3:51:40 PM

MS. PARADY delivered statistics on educator retention, as follows: the average retention rate for teachers in Alaska schools was 72 percent; in urban areas - Anchorage, Fairbanks, and Juneau - the average retention rate was 83 percent; in urban fringe areas, such as Palmer and Sitka, the average retention rate was 76 percent; in the rural fringe, such as Healy and Bethel, the average retention rate was 71 percent; and in rural remote Alaska, such as Arctic Village and Yakutat, with 72 percent of the schools in the state, the average retention rate was 57 percent. Retention is an issue in all areas of Alaska; the remote schools, where it is the most difficult to attract teachers, are where Alaska has its most severe retention problems. She mentioned the letter from Deena Bishop, Ed.D.,

superintendent of the Anchorage School District, included in the committee packet, sharing the importance of the proposed legislation to her school district.

MS. PARADY concluded by referring to the testimony of James Johnsen, PhD, President, University of Alaska (UA) during the 2/7/18 Joint Meeting of the House Education Standing Committee and the Senate Education Standing Committee, because UA recognizes this as an emergent issue and is taking specific action to work with the school districts to create more teachers in Alaska; he set an ambition goal of preparing 90 percent of the annual hired teachers by 2025. Ms. Parady offered that ACSA supports this goal, but Alaska needs the educators now, and it will take time for Alaska to "grow its own."

MS. PARADY relayed that the most pressing issue is unfilled vacancies at the start of the school year. She maintained that the direct intent of the proposed legislation to help districts that have advertised positions but are unable to fill them. She directed the committee's attention to the document from the UA Alaska Teacher Placement (ATP) website, included in the committee packet, and pointed out that as of 2/7/18, there were 486 openings. She mentioned that last December, ACSA worked with UA on an emergency special education support piece, because Alaska had 93 vacancies in special education. She pointed out the category, "Student Support Services," which is further broken down to clarify the need for special education support personnel.

[3:54:44 PM](#)

MS. PARADY stated that the [ATP] Job Bank is a "live" system on the website; as Alaska moves into recruitment season in the next couple months, about 800 positions will be posted. She relayed that an individual can retire in any other state in the country, come to Alaska, and be employed as a teacher; however, Alaska's retired educators, who committed their careers to Alaska's children, are currently blocked from doing the same.

MS. PARADY relayed that House Bill 161 sunset in 2009. The DOA provided a summary of the program, as follows: In the years 2001-2010, total utilization was 325 retired rehired individuals; average time reemployed was 18.7 months; the shortest period of reemployment was 3 months; the longest period of reemployment was 46 months. The employer employing the largest number of rehires was the Lower Kuskokwim School District (LKSD), which is the largest rural district, and the

highest number employed in one year was 181. The highest use [of the program] was by teachers with 149 teachers rehired; 45 special education teachers were rehired; 18 superintendents were rehired; and 22 principals were rehired.

MS. PARADAY emphasized, "This isn't opening the floodgates, this is targeting specific positions that we are not able to fill with potentially a retired teacher who might be in the community, who might be willing to come in and do a one year contract, and preserve that quality in the classroom, which I think we're all really focused on." She concluded by saying that the proposed legislation may help to alleviate some of the pressure felt by districts in recruiting teachers, particularly in high poverty and rural areas. Alaska's students benefit by experienced leadership, experienced Alaska teachers, and educators working with new teachers to achieve a comprehensive learning program for all Alaska students. She asked for committee support of HB 224.

[3:57:12 PM](#)

REPRESENTATIVE LEDOUX asked whether Alaska passed a law forbidding teachers from being rehired.

MS. PARADAY replied that Alaska has a prohibition for a rehired retired person working for the state more than .49 of a day.

REPRESENTATIVE LEDOUX asked for the rationale of the prohibition.

[3:58:29 PM](#)

KATHY LEA, Chief Pension Officer, Division of Retirement and Benefits (DRB), Department of Administration (DOA), responded that there is a statute prohibiting a retired member from coming back into fulltime service or part-time service over 50 percent of the normal work week; the statute is AS 14.25.043. She explained that it is a standard provision in retirement plans that once a person initiates his/her retirement benefit, he/she does not work and receive an active salary from an employer in the same plan from which the person retired.

REPRESENTATIVE LEDOUX asked, "Besides it being standard, why do we do it?" She asked for when the statute was enacted and the rationale behind it.

MS. LEA replied that the statute has been in existence since the 1950s and is due to the perception of "double-dipping." She stated that for someone who has earned a retirement but is still working, there are IRS rules that require a bona fide termination of employment before coming back to work for the same employer. She relayed that mostly the reason is to protect the retirement plan. If you have provisions for retirees to come back into service, then there is a potential for contribution to that plan to be lost; it precludes new enrollees in the plan who would be paying contributions. She maintained that in the proposed legislation, contributions would be required; therefore, the plan would be kept whole.

[4:01:12 PM](#)

REPRESENTATIVE LEDOUX pointed out the lack of a fiscal note and asked whether the proposed legislation would have no fiscal impact on the state.

MS. LEA answered that there is no fiscal note at this time because it has not been ordered by the House and Senate leadership; she conceded that a fiscal analysis is needed. The proposed legislation would require the employer to pay the employer contributions for the rehires and to offer active employee health insurance. She maintained that these are the two areas that would create cost. She stated that she did not know what the fiscal note would be but offered that there are elements in the proposed legislation addressing those cost concerns.

REPRESENTATIVE LEDOUX asked for clarification that fiscal notes are not prepared unless requested by the leadership of the House or Senate.

MS. LEA said that this procedure has been in effect for a couple years; the reason is that the actuarial analysis is very costly; it cannot be paid from the [retirement] trusts but must be paid from the general fund (GF). She relayed that DRB gets a GF budget every year, which is managed by the House and Senate leadership.

[4:03:06 PM](#)

The committee took a brief at-ease at 4:03 p.m.

[4:03:42 PM](#)

CHAIR KREISS-TOMKINS directed the committee's attention to the fiscal note, included in the committee packet.

[4:03:58 PM](#)

REPRESENTATIVE BIRCH referred to the forthcoming committee substitute (CS) for HB 224 [labeled 30-LS0759\J, Wayne, 2/6/18], included in the committee packet, and cited page 1, lines 12-14, which read in part: "certifies that the member and the school district did not arrange before the member retired from the school district for the member to be reemployed by the school district". He asked whether the provision has a basis in the plan.

MS. LEA replied that the provision is a requirement of IRS to prevent what is referred to as an "in-service distribution." She said that IRS want to ensure that when a person draws his/her retirement benefit, that person has had a bona fide termination of employment.

REPRESENTATIVE BIRCH asked whether the proposed legislation would impact the current Public Employees' Retirement System (PERS)/TRS liability.

MS. LEA clarified her answer to Representative LeDoux's question by saying that there is a fiscal note on HB 224 but not an actuarial analysis. She stated that it is the actuarial analysis which needs to be ordered by the leadership of the House or Senate. She explained that until that analysis is performed, the impact on the [retirement plan] fund is unknown. She added that the analyses are performed by DRB's consulting actuary, Conduent Inc. She said that once DRB gets an order for a fiscal analysis, Conduent Inc. will perform the analysis to determine the future impact of the proposed legislation on the fund.

[4:06:39 PM](#)

REPRESENTATIVE BIRCH offered that typically there is a requirement for union membership and dues for hires and asked if that would apply to rehires.

MS. LEA stated that the question was outside of her purview.

[4:07:23 PM](#)

REPRESENTATIVE KNOPP suggested that double dipping might be the reason behind the IRS provision. He relayed his experience with local government; some administrative positions were exempted from PERS to allow people to retire and still receive paychecks as employees. He relayed that under the proposed legislation, the school district would be required to make PERS contributions for the temporary rehire, but that person would no longer be eligible for additional benefits under PERS. He suggested that the result of this would be a net gain for the retirement system.

MS. LEA responded that there would not necessarily be a net gain because if there had been a permanent teacher hired in that position, those contributions would have been made as well. She relayed that it is more of "a wash."

REPRESENTATIVE KNOPP offered that with a permanent hire, those contributions would be distributed in the future, but for a temporary rehire, they would not be distributed, therefore, would constitute a net gain to the system.

MS. LEA replied that it would be a de minimis amount.

[4:09:20 PM](#)

ANNMARIE O'BRIEN, PhD, Superintendent, Northwest Arctic Borough School District (NWABSD), testified that there are 2,136 students in 12 schools in the 11 villages in the district; none of the villages are accessible by road; and supplies are delivered via air carrier. She relayed that she has been employed by NWABSD for 18 years - 6 as director of curriculum and instruction, 8 as assistant superintendent, and she is in her fourth year as superintendent. She stated that she urges legislators to pass HB 224. She declared that rural Alaska, especially Western Alaska, is in a crisis due to the shortage of qualified staff to teach its students; for the first time in her years at NWABSD, school opened without full staffing. As the district recruits for the 2018-2019 school year, the situation is predicted to be worse. She offered that as parents and grandparents, legislators would find this situation unacceptable.

DR. O'BRIEN relayed that the UA System graduates a fraction of the teachers needed to fill open positions throughout the state. The in-state candidates are in high demand and mainly seek positions on the road system; this further decreases the number of candidates for rural Alaska. She said that as a result, her

district recruits in the Lower 48 at great expense. She offered that with the entire country facing a teacher shortage, her district must continually seek out new areas in which to recruit. She relayed that Utah, for example, no longer allows out-of-state recruiters to attend its major education career fairs. Other states, such as Montana, allow in-state recruiters to speak with their candidates first to gently discourage out-of-state recruiting.

DR. O'BRIEN stated that in an environment of ever-shrinking resources, her district is asking for assistance. She said that the district is taking advantage of the technology available to grow and expand its programs; it is trying to use staffing as effectively as possible during this time of teacher shortage. Using a video teleconferencing system, the district has been able to offer electives to remote sites that do not have the staff to support the additional courses. Currently in the district, there are eight sites and 61 students taking these classes. She added that there are three students from two villages outside the school district who are involved in Introduction to Education I, along with the students. The education focus is the result of an active Educators Rising program. She said that currently there are 14 students enrolled in internships in four of the district's schools. This class uses Canvas [Learning Management System (LMS)] as a lesson management platform. There are 35 students enrolled in the Introduction to Education I course this year; the course is only offered via Bellingham Technical College (BTC) and is available to all district sites. She maintained that the district is doing its best to grow its own and offer its support; these are dual credit classes.

DR. O'BRIEN relayed that the district also maintains a 40-bed high school dormitory available to 11th and 12th grade students, locally and statewide. She said that NWABSD houses both fulltime students and students who come to Kotzebue for the variable length programs. These programs, offered through the magnet school, are designed to introduce students to careers in health care, education, process technology, and culinary arts. This efficiently allows the district to fill the need for classes in these areas by offering them to students in schools outside of Kotzebue that do not have the staffing or students to make these courses viable. She said that NWABSD maintains quality instruction by offering its distance delivery and magnet school boarding program; she maintained that it is not enough.

[4:13:34 PM](#)

DR. O'BRIEN offered that HB 224 would favorably impact district finances by reducing costs associated with recruitment efforts in the Lower 48 and would favorably impact students by having fulltime temporary teachers for their classes. She urged all legislators to assist school districts struggling with maintaining qualified staff for students in rural Alaska; she asked for passage of HB 224.

[4:14:52 PM](#)

CHAIR KREISS-TOMKINS announced that HB 224 would be held over.

**HJR 31-CONGRESS REVERSE FCC ON NET NEUTRALITY**

[4:16:45 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be HOUSE JOINT RESOLUTION NO. 31, Urging the United States Congress to overturn the Federal Communications Commission's order ending net neutrality.

[4:16:47 PM](#)

CHAIR KREISS-TOMKINS opened public testimony on HJR 31.

[4:17:15 PM](#)

LEON JAIMES testified that he has enjoyed a career of nearly 20 years in the field of information technology (IT); he currently works as an information security consultant; he related various work experiences in the IT field. He said that as both a business and individual customer of internet service providers (ISPs), he has watched ISPs capitalize on consumer demand in the form of data caps, long-term contracts, termination fees, and at times manipulation of internet traffic, as was seen with Comcast Corporation ("Comcast") throttling (indisc.) traffic in 2008. He said that he has an expert understanding of the network architectures and technologies that allow ISPs to accomplish these feats, as well as direct knowledge of technical configurations used by ISPs to configure their provider networks.

MR. JAIMES maintained that neutrality and open and free access to the internet is fundamental to democracy; net neutrality ensures a level playing field for small business, individual entrepreneurs, and private citizens. He expressed his belief



that net neutrality is vital to ensuring that the ability to limit free speech is not something available to ISPs. He further asserted that Alaska is unique in that innovation utilizing network connectivity to the global economy is a vital and untapped resource that can fuel economic growth in Alaska; net neutrality facilitates and protects that opportunity for Alaskans.

MR. JAIMES relayed that across the board, one thing that most networks with which he has worked have in common is the inability to keep pace with information security threats. He added, "It's not even close." He opined that the lack of information security controls often borders on negligence and is truly alarming. He mentioned that his biggest concern with net neutrality is that it opens the door to ISPs capturing more sensitive and personal data about consumers; currently an ISP can capture data under the auspices of troubleshooting. He related that his phone call to testify is one of those pieces of data. It is (indisc.) and transmitted via the standard ISP networks, and the data package that comprises phone calls, text messages, and multimedia Short Message Service (SMS) messages are very likely being captured for troubleshooting purposes.

MR. JAIMES concluded by saying that his concern is that the ISPs do not have the capability to secure the data that they would capture if net neutrality is left [repealed]. More data can be collected on consumers; data that is collected can be stolen; and once it is stolen, there is no way to recover it.

[4:20:54 PM](#)

TARA RICH, Legal and Policy Director, American Civil Liberties Union (ACLU) of Alaska, testified that the primary concern of ACLU is the censorship that ISPs can have on internet users, which is already occurring throughout the country. She relayed examples of this, as follows: American Telephone & Telegraph (AT&T) Inc. censored a live Pearl Jam concert stream in response to criticisms of [then] President George W. Bush by the band's lead singer, Eddie Vedder; in 2007, Verizon Wireless ("Verizon") blocked text messages from the pro-choice advocacy group, National Abortion and Reproductive Rights Action League (NARAL) Pro-Choice America because Verizon deemed them to be "controversial"; Telus Corporation, a Canadian Telecom company, blocked the website of a union with which it was engaged in a labor dispute. She said that there are numerous other examples of telecom companies using mechanisms that would have been regulated under net neutrality. These mechanisms include:

using tools to block certain websites; engaging in what is called "throttling" or intentionally slowing down access to data; and paid prioritization for certain websites.

MS. RICH maintained that ACLU has very serious concerns about inhibiting free speech through the internet. The internet plays a special role for free speech: it is decentralized; it is neutral; it is non-discriminatory; it relays information from source to destination; and it promotes open discourse. She added that it allows people from their homes to have an equal chance to be seen and heard. She said that the U.S. Supreme Court has recognized that anyone with a phone line can become a "town crier" with a voice that resonates farther than from any (indesc.). She emphasized that the internet has changed the way people communicate and receive information.

[4:23:28 PM](#)

MS. RICH stated that the two ISPs in Alaska have indicated that they don't intend to violate net neutrality rules; however, Alaskans may be at the mercy of what other ISPs - Comcast, Verizon, or Time Warner, Inc. - would do, because Alaska uses the networks its two ISPs use throughout the Lower 48 and, therefore, has no control.

[4:24:21 PM](#)

REPRESENTATIVE BIRCH stated that Ms. Rich mentioned two ISPs and asked for confirmation that nationally there are multiple ISPs and service options for consumers.

MS. RICH answered that's correct and added that the two ISPs she referenced to are the main two providers for internet service in Alaska.

REPRESENTATIVE BIRCH stated that he does not support HJR 31; he has faith in the commercial markets and competition. He offered, "If you're unhappy with a level of service from a provider ... you move on to a competitor"; therefore, the public is protected. He relayed that he served on an electric utility board for nine years; everyone has electricity coming into their home but is charged differently according to use. He said he struggles with Alaska immersing itself in the commercial market.

[4:26:07 PM](#)

REPRESENTATIVE KNOPP stated that he supports HJR 31; he has received communication opposing the proposed legislation based on the belief that every state should not adopt its own net neutrality laws - the same issue as came up with Uber Technologies Inc. He mentioned that it was brought to his attention that without net neutrality, an ISP provider with a good relationship with Netflix, Inc. but not with another entertainment company, might slow down the one company in favor of the other.

[4:27:20 PM](#)

CHAIR KREISS-TOMKINS closed public testimony on HJR 31.

[4:27:27 PM](#)

REPRESENTATIVE TUCK stated that he supports HJR 31 as a good consumer bill; infrastructure, such as power and telecommunications, must be for the common good and regulated, because the public relies on that infrastructure for advancing society, making progress, and making sure its business and economy are thriving. He maintained that the internet is a vital resource for economic opportunities. He said that when he uses a great deal of data on his cell phone, he gets charged for it; when he uses a great deal of electricity, he gets charged for it; with net neutrality, he can access anything he wants on the "information highway."

[4:28:44 PM](#)

REPRESENTATIVE WOOL moved to report HJR 31 out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE BIRCH objected.

[4:29:03 PM](#)

A roll call vote was taken. Representatives Wool, LeDoux, Tuck, Knopp, and Kreiss-Tomkins voted in favor of reporting HJR 31 out of committee. Representative Birch voted against it. Therefore, HJR 31 was reported from the House State Affairs Standing Committee by a vote of 5-1.

[4:30:05 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:30 p.m.